



Loan Number 7423

JULY 15, 2009

**You may be able to make your payments more affordable.
Act now to get the help you need!**

JOHN R DURNIAC AND MICHELLE L DURNIAC
5705 LAKE W TERR
GLEN ALLEN, VIRGINIA 23059

Loan #: 7423

Property Address:
5705 LAKE W TERR
GLEN ALLEN, VIRGINIA 23059

Dear JOHN R DURNIAC AND MICHELLE L DURNIAC

You may qualify for a Home Affordable Modification Trial Period Plan – a way to make your payment more affordable.

We have enclosed a customized Home Affordable Modification Trial Period Plan ("Trial Period Plan"). If you qualify under the federal government's Home Affordable Modification program and comply with the terms of the Trial Period Plan, we will modify your mortgage loan and you can avoid foreclosure.

STEP 1 PROVIDE THE INFO WE NEED TO HELP YOU

Detailed instructions on what you need to do to take advantage of this offer are set forth on the enclosed document entitled "Complete Your Checklist." Generally, you will need to:

- Explain the financial hardship that makes it difficult for you to pay your mortgage loan using the required Hardship Affidavit (enclosed).
- Submit the required documentation of your income. (If you submitted the required documentation within the last 30 days, you do not have to resubmit this documentation unless it has changed).
- Make timely monthly trial period payments. (If your loan is in foreclosure, your trial period payments must be made with certified funds.)

The monthly trial period payments are based on the income information that you previously provided to us. They are also our estimate of what your payment will be IF we are able to modify your loan under the terms of the program. If your income documentation does not support the income amount that you previously provided in our discussions, two scenarios can occur:

- 1) Your monthly payment under the Trial Period Plan may change
- 2) You may not qualify for this loan modification program

If you do not qualify for a loan modification, we will work with you to explore other options available to help you keep your home or ease your transition to a new home.

STEP 2 LET US KNOW THAT YOU ACCEPT THIS OFFER

Please let us know no later than **AUGUST 14, 2009** that you accept the Trial Period Plan by returning the signed Trial Period Plan, along with other required documents and first payment. Now is the time to act. We are ready to help you. Please take the steps outlined on the enclosed document "Complete Your Checklist."

Additionally, you may receive a phone call from one of our representatives following your receipt of this letter to discuss our offer. Please take advantage of that opportunity to start a dialog and get the help you need. More importantly, please don't hesitate to call us directly if you have any questions at (866) 550-5705.

Sincerely,

CHASE HOME FINANCE LLC

We are attempting to collect a debt, and any information obtained will be used for that purpose.

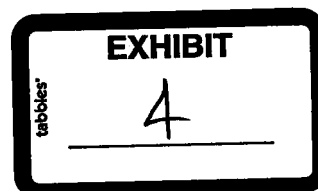
Attachments: Complete Your Checklist, Important Program Info, Frequently Asked Questions, Two copies of the Trial Period Plan, Hardship Affidavit, and IRS Form 4506-T.

Trial Period Cover Letter

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COMPLETE YOUR CHECKLIST

This is the information we need to help you modify your mortgage payments.

Act Now!

To accept this offer, and see if you qualify for a Home Affordable Modification, send the 5 items listed below to **CHASE HOME FINANCE LLC**, no later than **AUGUST 14, 2009**. Use the return envelope(s) provided for your convenience.

- ☐ 1. Two copies of the enclosed Trial Period Plan signed by all borrowers, ,
- ☐ 2. Your first month's trial period payment in the amount of **\$1,535.57** (if loan is in foreclosure, certified funds are required). Note that there may be a separate envelope enclosed for you to mail your first payment back to us.
- ☐ 3. The enclosed Hardship Affidavit completed and signed by all borrowers (no notary required),
- ☐ 4. A signed and dated copy of the IRS Form 4506-T (Request for Transcript of Tax Return) for each borrower (borrowers who filed their tax returns jointly may send in one IRS Form 4506-T signed and dated by both of the joint filers). (Note: please do not send this form directly to the IRS.)
- ☐ 5. Documentation to verify all of the income of each borrower (including any alimony or child support that you choose to rely upon to qualify). This documentation should include:

For each borrower who is a salaried employee:

- ☐ Copy of the most recent filed federal tax return with all schedules; and
- ☐ Copy of the two most recent pay stubs.

For each borrower who is self-employed:

- ☐ Copy of the most recent filed federal tax return with all schedules, and
- ☐ Copy of the most recent quarterly or year-to-date profit/loss statement.

For each borrower who has income such as social security, disability or death benefits, pension, public assistance, or unemployment:

- ☐ Copy of most recent federal tax return with all schedules and W-2 or copies of two most recent bank statements.
- ☐ Copy of benefits statement or letter from the provider that states the amount, frequency and duration of the benefit. Social security, disability, death or pension benefits must continue for at least 3 years to be considered qualifying income under this program. Public assistance or unemployment benefits must continue for at least 9 months to be considered qualifying income under this program.

For each borrower who is relying on alimony or child support as qualifying income:

- ☐ Copy of divorce decree, separation agreement or other written agreement or decree that states the amount of the alimony or child support and period of time over which it will be received. Payments must continue for at least 3 years to be considered qualifying income under this program.
- ☐ Proof of full, regular and timely payments; for example deposit slips, bank statements, court verification or filed federal tax return with all schedules.

For each borrower who has rental income:

- ☐ Copies of most recent two years filed federal tax returns with all schedules, including Schedule E—Supplement Income and Loss. Rental income for qualifying purposes will be 75% of the gross rent.

If you have other types of income, cannot locate required documents, or have questions about the documentation required, please contact us at **(866) 550-5705**.

You must send in both signed copies of the Trial Period Plan, all required income documentation, and your first trial period payment by **AUGUST 14, 2009** or the offer made in the Trial Period Plan may be void and you may no longer qualify for a modification. If you cannot provide the documentation within the time frame provided, please contact us to request an extension of time to gather your documents.

Keep a copy of all documents for your records. Don't send original income documentation as copies are acceptable.

Your remaining trial period payments in the amount of **\$1,535.57** per month will be due on the dates indicated in the Trial Period Plan. These payments should be sent instead of, not in addition to, your normal monthly mortgage payment. If the trial period payments are made in amounts different from the amount stated your loan may not be modified.

If you cannot afford the trial period payments shown above, but want to remain in your home, or if you want to leave your home and avoid foreclosure, please call us at **(866) 550-5705**. We may be able to help you.



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IMPORTANT PROGRAM INFO

Here's what you need to know about the Home Affordable Modification program.

NO FEES. There are no fees under the Home Affordable Modification program.

TRIAL PERIOD PLAN/MODIFICATION AGREEMENT. The Trial Period Plan is the first step. Once we are able to confirm your income and eligibility for the program, we will finalize your modified loan terms and send you a loan modification agreement ("Modification Agreement"), which will reflect the terms of your modified loan. In addition to successfully completing the trial period, you will need to sign and promptly return to us both copies of the Modification Agreement or your loan can not be modified.

NEW PRINCIPAL BALANCE. Past due amounts as of the end of the trial period, including unpaid interest, real estate taxes, insurance premiums and certain assessments paid on your behalf to a third party, will be added to your mortgage loan balance (the "Past Due Arrearage Amount"). If you fulfill the terms of the trial period including, but not limited to, making the trial period payments, we will waive ALL unpaid late charges at the end of the trial period.

ESTIMATED MONTHLY PAYMENT. At this time, we are not able to calculate precisely the Past Due Arrearage Amount or the amount of the modified loan payment that will be due after successful completion of the trial period. However, based on information we currently have, your trial period payment should be close to your modified loan payment. As we near the end of the trial period, we will calculate any past due amount to determine your new permanent monthly payment and other modified loan terms. We can offer you the ability to make electronic payments during the trial period to make it easy for you to stay current. You may continue to receive a monthly statement with your old payment that does not reflect your Trial Period Payments, so we encourage you to sign up for these electronic payments. If you qualify for a final modification, we will also offer you the option of making your monthly payments electronically.

If you still want to mail your trial period payments, mail them to:

CHASE PAYMENT PROCESSING
P.O. BOX 78420
PHOENIX, AZ 85062-8420

ESCROW ACCOUNT. The terms of your Trial Period Plan and your Modification Agreement will require us to set aside a portion of your new monthly payment in an escrow account for payment of your property taxes, insurance premiums and other required fees. Your current loan may also require escrows. If it does not, the previous waiver of escrows is cancelled under your Trial Period Plan. We will draw on this account to pay your real estate taxes and insurance premiums as they come due. Please note that your escrow payment amount will adjust if your taxes, insurance premiums and/or assessment amounts change, so the amount of your monthly payment that we must place in escrow will also adjust as permitted by law. This means that your monthly payment may change after the Modification Agreement becomes effective.

ESCROW SHORTAGE. Due to the timing of your tax and insurance payments, prior unpaid advances that we have made from your escrow account, or, in the case of a new escrow account, the need to make initial deposits to ensure funds are available to make tax and insurance payments when due, there may be a shortage of funds in your escrow account at the end of the trial period. If we notify you that a shortage exists, you must pay this amount in accordance with the Home Affordable Mortgage Program Guidelines, your loan documents, and applicable law, which may include requiring repayment over a 60 month period. If you wish to pay all or any portion of the shortage in a lump sum prior to the time the final modification becomes effective, please contact us. If you currently have lender-placed hazard or flood insurance on your property, you should consider obtaining your own insurance, which will likely be more affordable.

BORROWER INCENTIVE. If your monthly mortgage payment (principal, interest, property taxes, hazard insurance, flood insurance, condominium association fees and homeowner's association fees, as applicable, but excluding mortgage insurance) is reduced through the Home Affordable Modification Program by six percent or more and if you make your monthly mortgage payments on time, you will accrue a monthly benefit equal to the lesser of: (i) \$83.33 or (ii) one-half of the reduction in your monthly mortgage payment. As long as your mortgage loan does not become 90 days delinquent, we will apply your accrued monthly benefit to your mortgage loan and reduce your principal balance after each of the first through fifth anniversaries of the month in which the Trial Period Plan is executed. If your modified mortgage loan ever becomes 90 days delinquent, you will lose all accrued but unapplied principal reduction benefits and will no longer be



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eligible to accrue additional principal reduction benefits even if the mortgage loan is later brought current. If you qualify for the modification under the Home Affordable Modification Program but do not qualify for the incentives, we will let you know at the time the final modification is offered and give you the opportunity to consider other options.

CREDIT COUNSELING. If you have very high levels of debt you will be required to obtain credit counseling under the Home Affordable Modification program.

CREDIT REPORTING. During the trial period, we may continue to report your loan as delinquent to the credit reporting agencies even if you make your trial period payments on time. However, after your loan is modified, we will only report the loan as delinquent if the modified payment is not received in a timely manner.

BANKRUPTCY. IF YOU ARE CURRENTLY SUBJECT TO THE PROTECTIONS OF ANY AUTOMATIC STAY IN BANKRUPTCY, OR HAVE OBTAINED A DISCHARGE IN A BANKRUPTCY PROCEEDING, NOTHING IN THE TRIAL PERIOD PLAN, ANY FINAL MODIFICATION AGREEMENT, OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS OFFER SHALL BE CONSTRUED AS AN ATTEMPT BY US TO IMPOSE PERSONAL LIABILITY FOR THE LOAN.

OTHER LOAN FEATURES. By accepting the Trial Period Plan you agree that any assumption feature, bi-weekly payment feature, or any "Timely Payment Rewards" program applicable to your loan are cancelled as of the date the trial period begins. We may require that all trial period payments and continuing payments under a final Modification Agreement be paid on the first of each month.



FREQUENTLY ASKED QUESTIONS

You've got questions. We've got answers.

Q. How long will it take to process my modification request and determine if I qualify for the program?

It may take up to 30 days for us to receive and review your documents. We will process your modification request as quickly as possible. Please note, however, that your modification will not be effective unless you meet all of the applicable conditions, including making all trial period payments.

Q. What if my trial period payment is less than the payment I currently owe on my loan?

We will add the difference between the monthly payment that you currently owe on your loan and the trial period payment to your loan balance and allow you to pay it over the remainder of the modified loan term.

Q. What do you do with my first trial period payment if I do not qualify for the program?

Your first trial payment will be applied to your existing loan in accordance with the terms of your loan documents. If you don't qualify for the program, we will help you evaluate other options to help you keep your home or ease your transition to a new home.

Q. Will a foreclosure occur if I participate in the Home Affordable Modification program?

As long as you comply with the terms of the Trial Period Plan, we will not start foreclosure proceedings or conduct a foreclosure sale if foreclosure proceedings have started. However, until you return all of the required trial period conditions, including the Trial Period Plan and first trial period payment, we may continue to collect on the loan. If you fail to comply with the terms of the Trial Period Plan and do not make other arrangements, your loan will be enforced according to its original terms, which could include foreclosure.

Q. What happens to my trial period payments if I do not comply with the terms of the Trial Period Plan?

Your trial period payments will be applied to your existing loan according to the terms of your loan documents.

Q. If I get a Home Affordable Modification, can my modified loan terms ever revert to the original loan terms?

No. This is one of the advantages of the Home Affordable Modification program. Once your loan is modified, the new terms stay in place for the remainder of your loan.

Q. Do all borrowers have to sign the Trial Period Plan and other documents?

Unless a borrower or co-borrower is deceased, all borrowers who signed the original loan documents or their duly authorized representative(s) must sign the Trial Period Plan, the Modification Agreement and all other required modification documents. Contact your servicer if it would be difficult or impossible for you to comply with this requirement.

